

CIA HISTORICAL REVIEW PROGRAM  
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2003

DISPATCH NO. HUL-A- 652

~~RYBAT/PBSUCCESS/SECRET~~  
CLASSIFICATION

DATE 5 MAY 1954

TO ACOS, Guatemala City

FROM LINCOLN

SUBJECT { GENERAL Financial Matters  
SPECIFIC Funds for SEMANTIC/SECANT Project

REF: LINC 2391, 4 May 1954

1. It is believed that the entire matter of providing funds for the operations of SEMANTIC and SECANT should be studied carefully. Heretofore these payments have been made through CALLIGERIS in Tegucigalpa, but it is now felt that the transactions can be handled in a more efficient and secure manner through the Guatemala station. SEMANTIC is in charge of all CALLIGERIS intelligence agents in the country, whereas SECANT supervises the military net.

2. The passing of funds through ESCOBILLA appears to be the most logical channel, but it is felt that we should know more about the nature of this agent's business situation. It is understood that he is relatively wealthy and that he has many business connections. However, it is not clear how the handling of the large sums needed for SEMANTIC and SECANT is to be explained by him. A separate account will effectively conceal the payments to him, but how will he be able to make the withdrawals and the exchange into quetzales without causing comment and questions? Payments in cash by the station might be preferable, but the problem of obtaining quetzales would still be present. Can the station exchange such substantial amounts of dollars into quetzales in a secure manner and then give the quetzales to ESCOBILLA? This would appear to be the best solution if it can be arranged.

3. What is the situation regarding taxes in Guatemala? Are individuals and companies required to pay income taxes, and if so, is it necessary to file annual income statements with the government? If such statements are not needed, does the government make periodic checks of bank accounts and the books of concerns? In the event such investigations are not made openly, can it be assumed that the government has confidential informants in the banks to report on unusual transactions?

4. Such questions as these have occurred to LINCOLN, and it is likely

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that the Guatemala station will think of other problems involved. It is therefore requested that the entire process be reviewed carefully and on a detailed scale. When this has been concluded you should prepare a dispatch or cable outlining your conclusions as to best manner for handling this matter.

[ ]  
JEROME C. DUNBAR

[ ]  
QSVincent/d

4 May 1954

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